



International trade in services: firm-level evidence for Portugal

João Amador^{1,2} · Sónia Cabral¹  · Birgitte Ringstad²

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Abstract

This paper adds to the existing firm-level evidence on international trade in non-tourism services, using a new Portuguese database merged with balance-sheet data. In accordance with the literature, we find that a small number of firms that both export and import services (two-way traders) with diversified service and geographical portfolios account for a substantial share of trade flows. Compared with one-way traders, two-way traders are larger, older, more productive, more profitable and have a higher share of foreign equity. Considering all margins of firm-level trade and controlling for firms' characteristics, the intensive margins of exports and imports of services are positively related to both productivity and profitability. Regarding the extensive margins, the number of services imported is also positively associated with firms' performance.

Keywords International trade · Services · Trade margins · Firm-level data

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◆ Sónia Cabral
scabral@bportugal.pt

João Amador
jamador@bportugal.pt

Birgitte Ringstad
biringstad@gmail.com

¹ Banco de Portugal, Lisbon, Portugal

² Nova School of Business and Economics, Carcavelos, Portugal